

**Ronald McDonald House  
Charities Alberta**

Financial Statements  
**December 31, 2018 and 2017**



## *Independent auditor's report*

To the Members of Ronald McDonald House Charities Alberta Society

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### *Our qualified opinion*

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Ronald McDonald House Charities Alberta Society (the Society) as at December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **What we have audited**

The Society's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of operations for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *Basis for qualified opinion*

In common with many not-for-profit organizations, the Society derives revenues from contributions and fundraising activities/events the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to contributions and fundraising activities/events revenue, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017 and net assets as at the beginning and the end of the years ended December 31, 2018 and 2017.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Independence**

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
May 23, 2019

# Ronald McDonald House Charities Alberta

## Statements of Financial Position

As at December 31, 2018 and 2017

	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,542,670	1,552,257
Accounts receivable	519,072	308,920
Prepaid expenses	141,892	78,529
Short-term investments (note 3)	6,711,357	6,038,105
	<u>8,914,991</u>	<u>7,977,811</u>
<b>Investments</b> (note 3)	12,610,538	12,859,485
<b>Investment in property</b>	1,546,991	1,546,991
<b>Capital assets</b> , net (note 4)	<u>23,397,761</u>	<u>24,029,411</u>
	<u>46,470,281</u>	<u>46,413,698</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	346,281	327,006
Other short-term debt (note 7)	5,424	22,477
	<u>351,705</u>	<u>349,483</u>
<b>Deferred contributions</b> (note 6)	172,298	276,400
<b>Other long-term debt</b> (note 7)	<u>9,303</u>	<u>14,727</u>
	<u>533,306</u>	<u>640,610</u>
<b>Fund balances</b> (note 8)		
General fund	16,557,827	15,421,212
Capital asset fund	29,379,148	30,351,876
	<u>45,936,975</u>	<u>45,773,088</u>
	<u>46,470,281</u>	<u>46,413,698</u>

### Approved by the Board of Directors

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

# Ronald McDonald House Charities Alberta

## Statements of Operations

For the years ended December 31, 2018 and 2017

	General fund		Capital asset fund		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>Revenue</b>						
Contributions (note 10)	2,939,307	3,275,904	69,937	66,609	3,009,244	3,342,513
Fundraising activities/events	3,758,814	3,316,580	-	32,500	3,758,814	3,349,080
Donated goods and services (note 12)	1,040,802	927,459	109,948	16,126	1,150,750	943,585
RMH room donations/fees	376,844	377,668	-	-	376,844	377,668
Other	49,835	18,902	-	-	49,835	18,902
	<u>8,165,602</u>	<u>7,916,513</u>	<u>179,885</u>	<u>115,235</u>	<u>8,345,487</u>	<u>8,031,748</u>
<b>Expenses</b>						
Program	3,174,482	3,550,025	1,152,613	1,272,944	4,327,095	4,822,969
Management and general	796,368	1,302,238	-	-	796,368	1,302,238
Fundraising	1,952,038	1,824,582	-	-	1,952,038	1,824,582
Donated goods and services (note 12)	1,040,802	927,459	-	-	1,040,802	927,459
	<u>6,963,690</u>	<u>7,604,304</u>	<u>1,152,613</u>	<u>1,272,944</u>	<u>8,116,303</u>	<u>8,877,248</u>
<b>Excess (deficiency) of operating revenue over expenses</b>	1,201,912	312,209	(972,728)	(1,157,709)	229,184	(845,500)
<b>Investment income, net (note 3)</b>	(68,491)	1,315,430	-	-	(68,491)	1,315,430
<b>Unrealized foreign exchange gain</b>	3,194	15,285	-	-	3,194	15,285
<b>Excess (deficiency) of revenue over expenses</b>	1,136,615	1,642,924	(972,728)	(1,157,709)	163,887	485,215
<b>Fund balances – Beginning of year</b>	15,421,212	13,778,288	30,351,876	31,509,585	45,773,088	45,287,873
<b>Fund balances – End of year</b>	<u>16,557,827</u>	<u>15,421,212</u>	<u>29,379,148</u>	<u>30,351,876</u>	<u>45,936,975</u>	<u>45,773,088</u>

The accompanying notes are an integral part of these financial statements.

# Ronald McDonald House Charities Alberta

## Statements of Cash Flows

For the years ended December 31, 2018 and 2017

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	2018 \$	2017 \$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the period		
General fund	1,136,615	1,642,924
Capital asset fund	(972,728)	(1,157,709)
Items not involving cash		
Amortization of capital assets	794,076	978,111
Loss on sale of capital assets	-	184,850
Unrealized (gain) loss on sale of investments	739,936	(719,706)
	<hr/>	<hr/>
	1,697,899	928,470
Net change in non-cash working capital balances related to operations		
Accounts receivable	(210,152)	(244,231)
Prepaid expenses and other assets	(63,363)	45,777
Accounts payable and accrued liabilities	19,275	127,388
Deferred contributions	(104,102)	(162,011)
	<hr/>	<hr/>
	1,339,557	695,393
<b>Investing activities</b>		
Purchases of investments	(7,772,536)	(7,928,571)
Proceeds from sale of investments	6,608,295	7,488,748
Purchases of capital assets	(52,478)	(70,822)
Items not involving cash		
Contributed capital assets	(109,948)	(16,126)
	<hr/>	<hr/>
	(1,326,667)	(526,771)
<b>Financing activities</b>		
Repayment of other debt	(22,477)	(51,392)
	<hr/>	<hr/>
<b>Net (decrease) increase in cash and cash equivalents during the year</b>	(9,587)	117,230
<b>Cash and cash equivalents – Beginning of year</b>	1,552,257	1,435,027
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<b>Cash and cash equivalents – End of year</b>	1,542,670	1,552,257
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The accompanying notes are an integral part of these financial statements.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### 1 Nature of the Organization

#### Organization

Ronald McDonald House Charities Alberta (the “Organization”) is a not for profit, charitable corporation formed in October 2018 under the Societies Act of Alberta, as a result of the amalgamation of Ronald McDonald House Charities Northern Alberta and Ronald McDonald House Charities Southern & Central Alberta. The mission of Ronald McDonald House Charities (“RMHC”) is to create, find and support programs that directly improve the health and well-being of children and their families. RMHC and the network of local Chapters, of which there are 13 in Canada, ascribe to five core values. We are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage and we operate with accountability and transparency.

In Canada, 13 Regional RMHC Chapters work collaboratively through the support of RMHC Canada, Canada’s national RMHC foundation, which is focused on contributing funding from McDonald’s Restaurants of Canada and other donors, to support the building and operations of Ronald McDonald Houses, Family Rooms and Ronald McDonald Care Mobiles to help enable the support of families with sick children.

The Organization is registered as a Canadian charitable organization under the Income Tax Act and accordingly is exempt from income taxes.

The Organization is also registered under The Charitable Fundraising Regulation of Alberta and has considered all required disclosures under Section 7(2) of the Regulation in preparing the financial statements.

The Organization fulfills their mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities.

#### Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House programs located in Calgary, Edmonton and Red Deer, which provide temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers’ ability to spend more time with their child, to interact with their clinical care team and to participate in critical medical care decisions.



# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### **Ronald McDonald Care Mobile**

The Ronald McDonald Care Mobile (RMCM) program provides access to pediatric medical, dental and/or health education services for children living in underserved communities. The RMCM program is breaking down the barriers to health care, expanding critical health care access and extending the Charity's reach to countless underserved children. The RMCM program serves children that are at great risk to develop acute conditions, dental problems, chronic diseases and even serious lifelong illnesses. Through partnerships with local healthcare organizations and government ministries, the Organization is bringing clinical services and health education directly to those in need, so children can receive high quality, convenient care right in their own neighborhood – from urban communities to remote, hard-to-reach areas.

## **2 Summary of significant accounting policies**

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting, which sets out Accounting Standards for Not-for-Profit Organizations ("ASNPO") in Canada and includes the significant accounting policies summarized below.

### **a) Use of estimates**

The preparation of financial statements in accordance with ASNPO, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **b) Fund accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, the accounts of the Organization have been classified into the following funds:

The General Fund reports unrestricted resources available for general operating activities.

The Capital Asset Fund reports resources that are restricted to the Organization's capital asset purchases, replacements, or maintenance initiatives.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### c) Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Contributions are recorded in the appropriate funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the General Fund when initially recorded in the accounts. Externally restricted contributions for use towards capital asset initiatives are recorded as revenue of the Capital Asset Fund when initially recognized in the accounts. Externally restricted contributions for which no appropriate fund exists, are recognized in the General Fund and are deferred and recognized as revenue when the associated expenses are recognized.

Revenue from fundraising is recognized as revenue in the corresponding fund as appropriate in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Fees are recognized when the services have been provided. Revenue from room payments is recognized as revenue in the General Fund on an accrual basis when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on Capital Asset Fund resources that must be spent on donor-restricted activities is recognized as revenue in the Capital Asset Fund. General investment income earned on General Fund resources is recognized as revenue of the General Fund. Investment losses are allocated in a manner consistent with investment income.

### d) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short-term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

### e) Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the dates of the balance sheets. Non-monetary assets and liabilities are translated at the historic rate.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### f) Financial instruments

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Short-term investments, comprised entirely of guaranteed investment certificates having a maturity within one year from the date of purchase, are carried at market value with realized and unrealized gains or losses recognized directly in the Statement of Operations. Other financial instruments, including cash, accounts receivable and accounts payable, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

### g) Other long-term debt

Other long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized using the straight-line method.

### h) Contributed materials and services

Contributed materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated. Because of the difficulty in determining the fair value of volunteer time, these services are not recognized in the financial statements.

### i) Capital assets

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of the contribution. Amortization is determined using the straight line method over the estimated useful lives of the assets as follows:

Land	N/A
Buildings	40 – 50 years
Furniture, fixtures, equipment	5 – 10 years
Caremobiles	10 years
Vehicles	3 years
Serenity garden	5 years
Computer software and office equipment	2 – 3 years

Construction in progress is not subject to amortization until the project has been completed and the asset is put in use. At that time, the corresponding costs are transferred to the appropriate asset category and amortized accordingly over its estimated useful life.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### j) Investment in property

Investment in property is recorded at cost. Investment in property consists of land and buildings held as a long-term investment.

### k) Impairment of long-lived assets

Long-lived assets are tested for impairment when events of changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

## 3 Investments

Investments, all of which are recorded at fair value, have an asset mix as follows:

	2018 \$	2017 \$
<b>Cash held by investment managers – short-term investments</b>		
General fund	785,394	582,086
Capital fund	176,133	573,174
	<u>961,527</u>	<u>1,155,260</u>
<b>General fund</b>		
Fixed income		
Short term investments	1,022,336	106,373
Canadian bonds	3,489,192	3,475,566
Global bonds	1,289,217	1,044,819
Equities		
Canadian	2,855,576	3,184,597
U.S.	2,299,203	2,294,237
Other International	2,677,350	2,860,266
	<u>13,632,874</u>	<u>12,965,858</u>
<b>Capital asset fund</b>		
Fixed income		
Short term investments	4,727,494	4,776,472

Investments in pooled funds have been allocated among the asset classes based on the underlying investments held in the pooled funds.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

Investment income (loss) consists of the following:

	2018 \$	2017 \$
Interest income	279,481	225,738
Foreign income	55,071	56,519
Dividends	129,393	117,357
Pooled fund distributions	288,263	273,925
Realized and unrealized gains (losses)	(739,936)	719,706
Management fees	(80,763)	(77,815)
	<u>(68,491)</u>	<u>1,315,430</u>

#### 4 Capital assets

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	1,798,134	-	1,798,134	1,798,134
Buildings	27,046,425	7,217,287	19,829,138	20,417,061
Furniture, fixtures, equipment	2,478,127	2,135,950	342,177	381,411
Caremobile	562,912	192,329	370,583	426,875
Artwork	253,493	-	253,493	253,493
Computer software and office equipment	264,481	250,159	14,322	54,147
Serenity garden	19,666	19,666	-	-
Vehicles	109,948	18,324	91,624	-
Construction-in-progress - Calgary	698,290	-	698,290	698,290
	<u>33,231,476</u>	<u>9,833,715</u>	<u>23,397,761</u>	<u>24,029,411</u>

During 2018, capital assets were donated to the organization in the amount of \$109,948 (2017 – \$16,126).

#### 5 Government remittances payable

As at December 31, 2018, accounts payable and accrued liabilities include government remittances payable of \$nil (2017 – \$nil).

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### 6 Deferred contributions

Deferred contributions represent unspent resources externally restricted for program expenses in future years for which a corresponding fund does not exist. Changes in the deferred contributions balance are as follows:

	2018 \$	2017 \$
<b>Balance – Beginning of years</b>	276,400	438,411
Account received during the year	292,529	241,114
Amount recognized as revenue during the year	(396,631)	(403,125)
<b>Balance – End of years</b>	<u>172,298</u>	<u>276,400</u>

### 7 Other long term debt

a) Long term debt consists of the following:

In 2013, the Organization entered into a capital lease obligation for computer equipment with a fair value of \$202,506. In 2016, the Organization entered into another capital lease obligation for computer equipment with a fair value of \$47,970. In 2017, the Organization entered into a capital lease obligation for a printer with a fair value of \$18,000. The net book value of the leased equipment at December 31, 2018 was \$14,322 (2017 – \$36,388).

	2018 \$	2017 \$
Capital lease obligation at an implicit interest rate of 2.689% per annum, maturing January 2018. Monthly principle plus interest payments of \$2,778	-	2,778
Capital lease obligation at an implicit interest rate of 2.689% per annum, maturing January 2019. Monthly principle plus interest payments of \$1,333	1,329	17,054
Capital lease obligation at an implicit interest rate of 3.000% per annum, maturing February 2022. Monthly principle plus interest payments of \$370	<u>13,398</u>	<u>17,372</u>
	14,727	37,204
Less current portion	<u>5,424</u>	<u>22,477</u>
	<u>9,303</u>	<u>14,727</u>

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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b) The minimum principal lease payments under the capital lease obligations are as follows:

	\$
2019	5,424
2020	4,219
2021	4,347
2022	737
	<hr/>
	14,727
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## 8 Fund balances

The fund balances consist of the following:

	2018 \$	2017 \$
<b>General fund</b>		
Internally restricted	4,726,751	4,804,784
Unrestricted	11,831,076	10,616,428
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	16,557,827	15,421,212
	<hr/>	<hr/>
<b>Capital asset fund</b>		
Externally restricted	3,649,043	4,012,677
Internally funded capital assets	24,930,105	25,539,199
Amounts set aside by the Board for future projects	800,000	800,000
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	29,379,148	30,351,876
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Internally restricted amounts in the General Fund represent a minimum reserve of 93% (2017 – 87%) of the current period's program expenses of \$5,094,022 (2017 – \$5,499,013) which is restricted by the Board of Directors as a future operational reserve and must be held in cash or marketable securities.

As of December 31, 2018, amounts set aside for future projects by the Board within the Capital Asset Fund include \$500,000 for the future replacement of the Caremobile unit and \$300,000 for building renovations. Externally restricted balances represent unspent resources for capital maintenance and capital projects.

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### 9 Financial instruments

The Organization is exposed to various financial risks through transactions in financial instruments.

#### Credit risk

The Organization is exposed to credit risk in connection with its accounts receivable and its short term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

#### Interest rate risk

The Organization is exposed to interest rate risk with respect to its investments in fixed income investments and a pooled fund that holds fixed income securities because the fair value will fluctuate due to changes in market interest rates. Interest rates on investments vary from approximately 0.5 % to 12.75% per annum. These investments mature at various dates from 1 month to 59 years.

#### Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization considers that it has sufficient funds available to meet its obligations as they come due.

#### Market and other price risk

The investments of the Organization are subject to price risk because changing interest rates impact the market value of the fixed rate investments, and the general economic conditions affect the market value of equity investments. This risk is mitigated through the use of an investment manager for the long term portfolio investments and by investing other funds in short term fixed rate products with high credit ratings.

### 10 Related party transactions

RMHC is a system of independent, separately registered public benefit organizations, referred to as “Chapters” within the global organization. The Organization is an independent operating Chapter within the RMHC system. Each Chapter is licensed by McDonald’s Corporation and Ronald McDonald House Charities, Inc. to use RMHC related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding and reporting.

During the year ended December 31, 2018, the Organization received from Ronald McDonald House Charities, Inc. \$nil (2017 – \$57,155); and the Organization received \$1,053,193 (2017 – \$900,630) from Ronald McDonald House Charities, Canada.



# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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### 11 Beneficial use of land

The land on which the Calgary building is located has been subleased for one dollar from the Alberta Health Services (formerly Calgary Health Region) for 90 years commencing January 1, 2005.

### 12 Donated goods and services

The fair value of donated goods and services included as contributions and expenses in the financial statements for the year ended December 31, 2018 and December 31, 2017 are as follows:

	2018 \$	2017 \$
Management and general	6,301	13,318
Program	766,927	676,044
Fundraising	267,574	238,097
	<u>1,040,802</u>	<u>927,459</u>

### 13 Allocation of expenses

The Organization allocates general management and program expenses by identifying an appropriate basis of allocation. Information technology costs are distributed evenly among all three functional expenses. General management and program salary expenses are based on proportional hours attributable to the function.

General management and program salaries and information technology expenses of \$427,976 (2017 – \$749,106) have been allocated as follows:

	2018	2017
Program expenses	171,347	249,702
Management and general expenses	131,459	249,702
Fundraising expenses	119,170	249,702
	<u>421,976</u>	<u>749,106</u>

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	<b>2018</b>
All expenses that were incurred to solicit contributions	2,219,612
Gross contributions received	8,097,350
Disposition of contributions greater than 10% of gross contributions	-
Total amount paid as remuneration to employees whose duties involve fundraising	1,114,664
The amount of remuneration paid to fundraising businesses used	-

### 14 Concentrations

Contributions totalling \$1,053,190 and \$900,630 were received from a single donor, RMHC Canada, during the year ended December 31, 2018 and December 31, 2017, respectively, which represents 13.3% and 11.4%, respectively of total public support.

### 15 Comparative figures

As mentioned in Note 1, Ronald McDonald House Charities Northern Alberta and Ronald McDonald House Charities Southern & Central Alberta amalgamated effective October 16, 2018 to form Ronald McDonald House Charities Alberta. Under the provisions of ASNPO, the amalgamation is accounted for similar to a pooling of interests. The prior balances are combined to present the balances and results of the business as though they had operated as one entity. Details of the respective balances and transactions of the two former entities as at December 31, 2017 and for the year ended December 31, 2017 are set out below, as follows:

	<b>Ronald McDonald House Charities Southern and Central Alberta 2017 \$</b>	<b>Ronald McDonald House Charities Northern Alberta 2017 \$</b>	<b>Ronald McDonald House Charities Alberta 2017 \$</b>
<i>Statement of financial position</i>			
Total assets	31,046,921	15,366,777	46,413,698
Total liabilities	359,213	281,397	640,610
Total net assets	30,687,708	15,085,380	45,773,088
	31,046,921	15,366,777	46,413,698

# Ronald McDonald House Charities Alberta

## Notes to Financial Statements

December 31, 2018 and 2017

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	Ronald McDonald House Charities Southern and Central Alberta 2017 \$	Ronald McDonald House Charities Northern Alberta 2017 \$	Ronald McDonald House Charities Alberta 2017 \$
<i>Results of operations</i>			
Total revenue	4,245,881	3,785,867	8,031,748
Total expenses	4,808,209	4,069,039	8,877,248
Excess (deficiency) of operating revenue over expenses	(562,328)	(283,172)	(845,500)
<i>Statement of cash flows</i>			
Cash flow provided by operating activities	583,611	111,782	695,393
Cash flow used in investing activities	(224,597)	(302,174)	(526,771)
Cash flows used in financing activities	(51,392)	-	(51,392)

### 16 Subsequent events

Management evaluated subsequent events through May 23, 2019, the date the financial statements were available to be issued.